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PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICANT : MURPHY, Gerald B.
SERIAL NO : 09/777,761
FILED : February 6, 2001
TITLE : METHOD FOR STRATEGIC COMMODITY
MANAGEMENT THROUGH MASS CUSTOMIZATION

Grp./A.U. : 3626
Examiner : NAJARIAN, Lena
Conf. No. : 4274
Docket No. : P04722US00

DECLARATION OF GERALD B. MURPHY

I, Gerald B. Murphy, the sole inventor of the above-identified patent application, hereby declare and state the following:

1. I have reviewed the Office Action of June 3, 2005 and the references cited by the Examiner therein, including the Schneider reference. It is clear to me that Schneider is a production system and not an income system for assuring revenue of my present invention.
2. I am aware that Michigan State has performed an income model that shows that in every year of production there is at some time a high enough price that a farmer would make a profit, yet farmers do not always do so.
3. It is my understanding, and it is my experience that about two-thirds of the farmers sell in the bottom one-third of the markets.
4. My clients, using the system described in the above-identified patent application, are in the top 80% of farmers in terms of the price that their crops are sold at.

5. Due to the success of my system described in the above-identified patent application I maintain an approximately 92% retention rate of clients. This retention rate is significantly higher than others in the industry. For example, Brock Associates, a well-known commodity advisory firm that works with farmers has a retention rate of only approximately 15%.

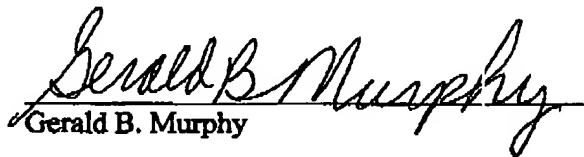
6. It is also my experience that on a number of occasions, farmers are able to secure loans that they otherwise would not be able to secure because of the confidence of banks in my system as described in the above-identified application. Attached as Exhibit A are letters from Carroll County State Bank and Westside State Bank describing their experience with my system.

7. My system as described in the above-identified patent application ensures a level of income for farmers which gives banks or other financial institutions security in knowing that the farmer is assured of meeting their financial obligations. See Exhibit A.

8. My system as described in the above-identified patent application has been adopted by various financial institutions including Farm Credit Services.

The undersigned further declares that all statements made herein of his own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application of any patent issuing thereon.

Date August 15, 2005


Gerald B. Murphy



Member F.D.I.C.

July 6, 2005

Mr. Jerry Murphy
16713 Hwy 92
Indianola, Iowa 50125

Dear Jerry,

I want to thank you for helping the management of Carroll County State Bank to understand the value of your "assured income" program combining commodity marketing strategies to Federal Crop Insurance programs in order to guarantee farm income. To know what the actual income will be greatly increases our confidence to approve loans and advance loan proceeds for crop production. Without this complete financial system, we do not think we could provide operating funds to some of our borrowers.

Farm producers really like the systematic objective method of establishing market targets in order to pre-sell that your business system provides. It enhances their discipline to lock in profitable prices in order to stay in business and provide peace of mind.

Sincerely,

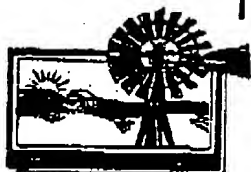
A handwritten signature in dark ink, appearing to read "Michael J. Hagan".

Michael J. Hagan
Vice-President

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Hy-Vee Branch 905 Highway 30 West • Phone 712/792-0064

EXHIBIT

AI

**WESTSIDE
STATE BANK**

105 N. Main
P.O. Box 53
Halbur, Iowa 51444
Phone 712-658-2071
Fax 712-658-2305

115 Hwy 30
P.O. Box 33
Vail, Iowa 51465
Phone 712-677-2211
Fax 712-677-2211

P.O. Box 425
Wall Lake, Iowa 51466
Phone 712-664-2700
Fax 712-664-2710

401 First Street
P.O. Box 77
Westside, Iowa 51467
Phone 712-663-4322
Fax 712-663-4321



July 6, 2005


Jerry Murphy
United Ag Resources
16713 Highway 92
Indianola, IA 50125

Dear Jerry,

Please accept this letter as our indication of appreciation for your "Assured Income" Program. Some of our Bank customers are using your program with good results. They like the systematic marketing methods supported by the Federal Crop Insurance coverage that allows them to pre-sell crops for a profit and guarantee their income.

Of course, the Bank certainly appreciates this guaranteed income approach, it takes a lot of the speculation out of farm lending and improves our customer's financial condition. Your business system gives our customers a method to combine commodity marketing with Federal Crop Revenue Plans to insure their income is sufficient to cover their input costs.

Sincerely,


James A. Borchert
Vice President

HALBUR • VAIL • WALL LAKE • WESTSIDE

EXHIBIT

A2